

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>				<b>1. Contract ID Code</b> Firm-Fixed-Price		<b>Page</b> 1 <b>Of</b> 21	
<b>2. Amendment/Modification No.</b>  05		<b>3. Effective Date</b>  2007JUL12		<b>4. Requisition/Purchase Req No.</b>  SEE SCHEDULE		<b>5. Project No. (If applicable)</b>	
<b>6. Issued By</b> U.S. ARMY TACOM LCMC AMSTA-AQ-AHLA JASON VANLUVEN (586)574-7175 WARREN, MICHIGAN 48397-5000 HTTP://CONTRACTING.TACOM.ARMY.MIL WEAPON SYSTEM: WPN SYS: MM EMAIL: JASON.VANLUVEN@US.ARMY.MIL		<b>Code</b> W56HZV		<b>7. Administered By (If other than Item 6)</b> DCMA CENTRAL PENNSYLVANIA - YORK PO BOX 15512 YORK PA 17405-1512  <b>SCD C PAS NONE ADP PT HQ0337</b>			
<b>8. Name And Address Of Contractor (No., Street, City, County, State and Zip Code)</b>  BAE SYSTEMS LAND & ARMAMENTS INC. 1100 BAIRS RD YORK, PA 17405-1512  TYPE BUSINESS: Large Business Performing in U.S.				<input type="checkbox"/>			
				<b>9A. Amendment Of Solicitation No.</b>			
				<b>9B. Dated (See Item 11)</b>			
				<input checked="" type="checkbox"/>			
				<b>10A. Modification Of Contract/Order No.</b> W56HZV-05-G-0005/0009			
<b>Code</b> 06085				<b>10B. Dated (See Item 13)</b> 2006JUL26			
<b>Facility Code</b>							

**11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS**

☐ The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers

☐ is extended, ☐ is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods:  
(a) By completing items 8 and 15, and returning \_\_\_\_\_ copies of the amendments: (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. **FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER.** If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

**12. Accounting And Appropriation Data (If required)**  
SEE SECTION G (IF APPLICABLE)

**13. THIS ITEM ONLY APPLIES TO MODIFICATIONS OF CONTRACTS/ORDERS**

KIND MOD CODE: G

It Modifies The Contract/Order No. As Described In Item 14.

<input type="checkbox"/>	<b>A. This Change Order is Issued Pursuant To:</b> The Contract/Order No. In Item 10A.	<b>The Changes Set Forth In Item 14 Are Made In</b>
<input type="checkbox"/>	<b>B. The Above Numbered Contract/Order Is Modified To Reflect The Administrative Changes (such as changes in paying office, appropriation data, etc.) Set Forth In Item 14, Pursuant To The Authority of FAR 43.103(b).</b>	
<input checked="" type="checkbox"/>	<b>C. This Supplemental Agreement Is Entered Into Pursuant To Authority Of:</b> Mutual Agreement of the Parties	
<input type="checkbox"/>	<b>D. Other (Specify type of modification and authority)</b>	

**E. IMPORTANT:** Contractor ☐ is not, ☒ is required to sign this document and return \_\_\_\_\_ copies to the Issuing Office.

**14. Description Of Amendment/Modification (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)**

SEE SECOND PAGE FOR DESCRIPTION

Except as provided herein, all terms and conditions of the document referenced in item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

<b>15A. Name And Title Of Signer (Type or print)</b>		<b>16A. Name And Title Of Contracting Officer (Type or print)</b> DENISE MIKA DENISE.MIKA@US.ARMY.MIL (586)574-7076	
<b>15B. Contractor/Offeror</b>  _____ (Signature of person authorized to sign)	<b>15C. Date Signed</b>	<b>16B. United States Of America</b>  By _____ /SIGNED/ (Signature of Contracting Officer)	<b>16C. Date Signed</b>  2007JUL12

NSN 7540-01-152-8070

PREVIOUS EDITIONS UNUSABLE

30-105-02

STANDARD FORM 30 (REV. 10-83)

Prescribed by GSA FAR (48 CFR) 53.243

<b>CONTINUATION SHEET</b>	<b>Reference No. of Document Being Continued</b> <b>PIIN/SIIN</b> W56HZV-05-G-0005/0009 <b>MOD/AMD</b> 05	<b>Page</b> 2 <b>of</b> 21
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SECTION A - SUPPLEMENTAL INFORMATION

1. The purpose of Modification P00005 to Order 0009 on Basic Ordering Agreement (BOA) W56HZV-05-G-0005 is to add an additional 172 each A3 remanufactured vehicles to the Order. The vehicle configurations are 108 each M2A3, 60 each M3A3 and 4 each A3 BFIST. In addition, this order includes an option for 38 additional vehicles which can be awarded at the same unit price as the 172 vehicles up to 90 days from the time of award. The vehicles will be put on contract as CLINs 0010AA, 0011AA and 0012AA. The contract price is increased by \$404,307,844 from \$1,222,474,111 to \$1,626,781,955.

2. Section B is changed to add CLINs 0010AA, 0011AA, and 0012AA.

3. Section C is changed by amending paragraphs C.2.1, C.5.2, and adding C.5.3.

4. Section F is changed to add paragraph F.4.4.

5. Section H is changed to add paragraph H.16 which allows for the Downward Only Adjustment for Red River Army Depot Subcontract for CLINs 0010AA, 0011AA, and 0012AA. The negotiated price for this action included a Not To Exceed (NTE) amount for RRAD as their rates for FY09 will not be set until November 2007 and there are no forecasts for those rates. In addition, paragraph H.17 allows for a Downward Only Price Adjustment for Bradley Urban Survivability Kits (BUSK) on items on CLIN 0010AA, 0011AA, and 0012AA. These items are still in the developmental stage and the contractor will not have approved Engineering Change Proposals (ECPs) until the October 2007 through February 2008 timeframe. Both clauses have definitization dates for each item. At the time of ECP submittal/definitization, in accordance with DFARS 252.227-7013 Rights in Technical Data, the contractor may propose a claim for limited data rights which will be evaluated by the government. Paragraph H.18 allows the Government to exercise an option of up to 38 vehicles at the same price as negotiated for the FY07 Main Supplemental award, provided that option is exercised within 90 days of the award of this modification.

6. Attachment 1 "Government Furnished Property for M2A3/M3A3 Remanufactured Vehicles" is modified to add NSN 5977-01-458-4322, Ring Assembly, Elect, to the list of property which the Government will be providing for the FY07 Main Supplement effort. This is in addition to the other parts currently listed in the attachment.

7. The contractor's subcontracting plan W56HZV-05-G-0005 Revision 21 is incorporated by reference.

8. All other terms and conditions will remain in effect.

\*\*\* END OF NARRATIVE A0007 \*\*\*

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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0010	SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS  NSN: 2350-01-436-0005 FSCM: 19207 PART NR: 87T0010 SECURITY CLASS: Unclassified				
0010AA	<u>PRODUCTION QUANTITY</u>  NOUN: M2A3 REMANUFACTURED VEHICLE PRON: 727177A372 PRON AMD: 01 ACRN: AD AMS CD: 31102897002  <u>Packaging and Marking</u>  <u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin  <u>Deliveries or Performance</u> DOC SUPPL REL CD MILSTRIP ADDR SIG CD MARK FOR TP CD 001 W80KTY7184D001 Y00000 M 1 PROJ CD BRK BLK PT GBB DEL REL CD QUANTITY DEL DATE 001 108 31-DEC-2010  FOB POINT: Destination  SHIP TO: (Y00000) SHIPPING INSTRUCTIONS FOR CONSIGNEE (SHIP-TO) WILL BE FURNISHED PRIOR TO THE SCHEDULED DELIVERY DATE FOR ITEMS REQUIRED UNDER THIS REQUISITION.  <u>CONTRACT/DELIVERY ORDER NUMBER</u> W56HZV-05-G-0005/0009  Delivery Schedule in Paragraph F.4.4  (End of narrative F001)	108	EA	\$ 2,350,627.000	\$ 253,867,716.00

Name of Offeror or Contractor: BAE SYSTEMS LAND & ARMAMENTS INC.

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0011	NSN: 2350-01-436-0007 FSCM: 19207 PART NR: 87T0011 SECURITY CLASS: Unclassified				
0011AA	<p><u>PRODUCTION QUANTITY</u></p> <p>60</p> <p>EA</p> <p>\$ 2,350,627.000</p> <p>\$ 141,037,620.00</p> <p>NOUN: M3A3 REMANUFACTURED VEHICLES PRON: 727178A372 PRON AMD: 01 ACRN: AD AMS CD: 31102897002</p> <p><u>Packaging and Marking</u></p> <p><u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin</p> <p><u>Deliveries or Performance</u> DOC SUPPL <u>REL CD</u> <u>MILSTRIP</u> <u>ADDR</u> <u>SIG CD</u> <u>MARK FOR</u> <u>TP CD</u> 001 W80KTY7184D002 Y00000 M 3 <u>PROJ CD</u> <u>BRK BLK PT</u> GBB <u>DEL REL CD</u> <u>QUANTITY</u> <u>DEL DATE</u> 001 60 31-DEC-2010</p> <p>FOB POINT: Destination</p> <p>SHIP TO: (Y00000) SHIPPING INSTRUCTIONS FOR CONSIGNEE (SHIP-TO) WILL BE FURNISHED PRIOR TO THE SCHEDULED DELIVERY DATE FOR ITEMS REQUIRED UNDER THIS REQUISITION.</p> <p><u>CONTRACT/DELIVERY ORDER NUMBER</u> W56HZV-05-G-0005/0009</p> <p>Delivery Schedule in Paragraph F.4.4</p> <p>(End of narrative F001)</p>				

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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0012	NSN: 2350-01-506-0132 FSCM: 19207 PART NR: 12466201 SECURITY CLASS: Unclassified				
0012AA	<p><u>PRODUCTION QUANTITY</u></p> <p>4</p> <p>EA</p> <p>\$ 2,350,627.000</p> <p>\$ 9,402,508.00</p> <p>NOUN: A3 BFIST PRON: 7276F89872 PRON AMD: 01 ACRN: AC AMS CD: 31201284007</p> <p><u>Packaging and Marking</u></p> <p><u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin</p> <p><u>Deliveries or Performance</u> DOC SUPPL <u>REL CD</u> <u>MILSTRIP</u> <u>ADDR</u> <u>SIG CD</u> <u>MARK FOR</u> <u>TP CD</u> 001 W80KTY7184D003 Y00000 M 3 <u>PROJ CD</u> <u>BRK BLK PT</u> GBB <u>DEL REL CD</u> <u>QUANTITY</u> <u>DEL DATE</u> 001 4 31-DEC-2010</p> <p>FOB POINT: Destination</p> <p>SHIP TO: (Y00000) SHIPPING INSTRUCTIONS FOR CONSIGNEE (SHIP-TO) WILL BE FURNISHED PRIOR TO THE SCHEDULED DELIVERY DATE FOR ITEMS REQUIRED UNDER THIS REQUISITION.</p> <p><u>CONTRACT/DELIVERY ORDER NUMBER</u> W56HZV-05-G-0005/0009</p> <p>See paragraph F.4.4 for delivery schedule.</p> <p>(End of narrative F001)</p>				

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SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

C.1 GENERAL REQUIREMENTS

C.1.1 The Contractor shall furnish all supplies and services that are necessary to accomplish this contract for A3 vehicles as set forth in Section B, or elsewhere in the contract. The contractor shall provide all technical support as required to include, but not limited to, assisting manufacturing understanding and interpreting drawings and technical data, Material Review Board actions regarding discrepant materials, liaison with STS Contractor design personnel, and maintaining Technical Data required to manufacture the vehicle systems and equipment under this contract. The Government will provide in a timely manner the materials listed in Attachment 1 - Government Furnished Items, to assist in the build of A3 vehicles required under this contract.

C.1.2 The contractor shall provide failure free vehicles through the hand-off. (C.14)

C.1.3 It is recognized that there are A3 performance specification requirements for which full compliance has yet to be demonstrated through vehicle testing, but for which full compliance is anticipated. These include the specification requirements listed below. in the event that subsequent testing, if required, fails to demonstrate full compliance, such requirements shall be addressed in future specification notices, deviations, or waivers. In such cases, the contractor shall not be required to provide any consideration to the Government in exchange for processing and approval of these documents.

- a. 3.1.2.2.2.1 External Target Handoff

C.2. VEHICLE TEARDOWN MIX - STARTING CONFIGURATION

C.2.1 The Government shall provide to the Contractor a mix of M2A2 or M3A2 vehicles designated below to be used in the build/remanufacture of Bradley A3 vehicles under this contract.

<u>CLINs 0001-0003</u>	<u>CLINs 0004-0009</u>	<u>CLINs 0010-0012</u>
M2A2 Vehicles - 57	M2A2 Vehicles - 307	M2A2 Vehicles - 108
M3A2 Vehicles - 16	M3A2 Vehicles - 183	M3A2 Vehicles - 64

BRADLEY A3 VEHICLE REQUIREMENTS

C.3 VEHICLE REMANUFACTURE REQUIREMENTS

C.3.1 M2A2 vehicles shall be torn down and manufactured in accordance with the latest version as of contract award of RM87T0010-R2 for vehicles A2 to A3, or RM87T0010-R4 for vehicles A0 to A3, and the latest version of the Performance Specification for Infantry Fighting Vehicle (M2A3) and Cavalry Fighting Vehicle (M3A3) 19207-12465518, Rev C, dated June 17, 2005. The Performance Specification for M2A3 vehicles is Attachment 4 to the contract.

C.3.1.1 The Contractor shall prepare and update any required RM drawings and work instructions in accordance with the CM process for Contractor controlled drawings as required for production of the M2A3 vehicles.

C.3.2 M3A3 vehicles shall be manufactured in accordance with RM87T0011-R12 for vehicles A2 to A3 and the latest version of the Performance Specification for Infantry Fighting Vehicle (M2A3) and Calvary Fighting Vehicle (M3A3) 19207-12465518, Revision C, dated June 17, 2005. M3A3 BFIST vehicles shall be manufactured in accordance with RM 12466201-R12 for vehicles A2 to A3, and the M3A3 Bradley Fire Support Vehicle Fire Support Functionality, the Performance Specification, which is Annex 10 to the M3A3 Performance Specification dated 20 January 2004.

C.3.2.1 The contractor shall prepare and update any required RM drawings and work instructions in accordance with the CM process for contractor controlled drawings as required for production of the M3A3 vehicles.

C.3.3 The contractor shall comply with the interface standards contained on Future Battlefield Combat Brigade and Below (FBCB2) Platform Software Interface Control Document (ICD) JV1F01011, REV E-1 dated 29 April 2002.

C.4 TURRET DRIVE SYSTEM

C.4.1 Used Government-owned Turret Drive Systems (TDS) shall be provided as GFM to the contractor for remanufacture. They are located at the contractor's Fayette County site or at Red River Army Depot (RRAD). The contractor shall be responsible for shipment of the TDS.

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C.4.2 Turret Drive System. The contractor shall remanufacture the government owned Turret Drive Systems. The Turret Drive Systems shall be remanufactured into the A3 TDS configuration in accordance with the latest version of BRADLEY FIGHTING VEHICLE TURRET DRIVE REMANUFACTURE PROGRAM A0 to A3 Remanufacture Document #328A5299 created by General Dynamics. A copy of this document is in the possession of both parties. The contractor shall provide new Turret Drive Control Units (TDCUs).

C.5 A3 ENHANCEMENTS

C.5.1 All vehicles on CLINs 0001 and 0002 shall be delivered with the following enhancements/upgrades:

- a. Transmission EA
- b. Common INU SW/HW Cable Changes
- c. VDMS and Fault Updates
- d. Compatibility Checking
- e. TPU Bit
- f. TPU II
- g. TDCU Redesign
- h. Common INU HW
- i. CMED
- j. Block I CIV
- k. Block I IBAS

C.5.2 All A3 vehicles in CLINs 0004-0009 shall be delivered with the same enhancements as in Paragraph C.5.1 plus the following:

- a. Busk Kit 1 (Commander's Spot Light, Power Line Protection, and Debris Guard for CIV and IBAS)
- b. Blue Force Tracking Installation Kits

C.5.3 All A3 vehicles in CLINs 0010AA-0012AA shall be delivered with the same enhancements as paragraphs C.5.1 and C.5.2 plus the following:

- a. Rearward Looking Vision System (RVLS)(w/2 IR Cameras) plus "A" Kit
- b. Sniper Screen
- c. A3 TAGS
- d. Commanders Light Assault Weapon (CLAW)
- e. Ammo Hot Box
- f. Mine IED Crew Seats (except A3 BFIST vehicles on CLIN 0012AA)

C.5.3.1 The parties recognize that, due to the urgent need to incorporate the Bradley Urban Survivability Kit items listed in paragraph C.5.3 above into vehicles produced under this contract, additional development and integration efforts are currently being performed under the Bradley Systems Technical Support (STS) Contracts DAAE07-01-C-M011 and W56HZV-07-C-0096 that may change their final configuration and performance characteristics. If any such changes impact the material requirement acquired under this contract, the Government agrees to equitably adjust the ceiling prices and/or delivery dates for incorporation of these items into vehicles delivered under this contract.

C.6 PROJECT MANAGEMENT

C.6.1 Contractor Cost Data Reporting. The Contractor shall submit the following reports in accordance with DOD 5000.2-R and AMCP715-8, Contractor Cost Data Reports (CCDR). The report may be submitted in Contractor format.

- DD1921 Cost Data Summary Report (CDRL A001, DI-F-6006)
- DD1921-1 Functional Cost Hour Report (CDRL A002, DI-F-6007)

C.7 PAINT REQUIREMENTS

C.7.1 Bradley vehicles delivered under the contract shall be painted Tan 686.

C.8 VEHICLE SERIALIZATION REQUIREMENTS

C.8.1 The Contractor shall maintain a vehicle serial numbering system as listed below and in accordance with the Contractor's current practice. The contractor shall provide to the Government the new numbers and their corresponding vehicle when the numbers are assigned. The remanufactured vehicles data plates and the existing vehicle serial number on the flange final drive/horse collar shall be modified accordingly.

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- a. M2A3 sequentially beginning with number 2AGR0644Y
- b. M3A3 BFIST sequentially beginning with number 2AGR0132Y
- c. M3A3 sequentially beginning with number 3AGR0298Y

#### C.9 CLASS I/II OZONE DEPLETING SUBSTANCES (CIODS)

C.9.1 The contractor is prohibited from using any of the specifications, standards or substances requiring the use of CLASS I or CLASS II Ozone Depleting Substances during the manufacture of vehicles unless a Government certification for use is granted. The following CLASS I/CLASS II Ozone Depleting Substances have been approved for use under this contract. The approval(s) does not waive any other law, regulation, requirement or criteria relating to the use of the CIODS the Contractor may be required to comply with.

- a. Halon 1301

#### C.10 DATA REQUIREMENTS AND REPORTS

C.10.1 The Contractor shall prepare technical data and/or reports in the format and scope specified in the applicable Data Item Description (DD forms 1664), or as described elsewhere in the contract. The required information shall be furnished to the Government in accordance with the requirements of the Contract Data Requirements List (DD Forms 1423) or as specified in the contract. The Contract Data Requirement Lists (CDRLs) are at Exhibit A.

C.10.2 All data and reports shall be submitted by e-mail or other electronic means acceptable to the Government. Proprietary data/export control data submitted by the Contractor may be submitted via a computer disk.

#### C.11 HAZARDOUS MATERIAL MANAGEMENT PROGRAM

C.11.1 The Contractor shall maintain a listing of Material Safety Data Sheets identifying all hazardous material required for operating, storing and sustaining the vehicle and its support items, in accordance with MIL-STD-882. The Contractor shall immediately make the list available to the Government, if requested.

#### C.12 CONFIGURATION MANAGEMENT

C.12.1 Configuration Management System. The Contractor shall operate and maintain a configuration management (CM) and control system throughout the period of performance of this Contract per Contractor's CM plan. Any change to the CM plan must be reviewed by the Government to ensure that adequate practices are used that are acceptable to the Government's procurement processes. Copies of all changes shall be provided to the PCO in the form of a revised CM plan. If there are discrepancies between the CM Plan and the requirements / provisions of this contract, the contract requirements / provisions shall prevail.

C.12.1.1 The Government reserves the right to review contents and verify the accuracy of the Contractor's configuration control system at any time during the Contract.

C.12.2 Product Configuration Identification. All performance/product specifications, product drawings, CAD drawings/models, approved changes, Remanufacture documents, software documentation used for design and production of a vehicle and training devices shall constitute the Product Configuration Identification (PCI) for that system.

C.12.3 Rights to Technical Data. All PCI data created or obtained from this or previous Contracts for use in the performance of the work designated by the Government shall be available with unlimited rights as described in clause 252.227-7013 (Defense Federal Acquisition Regulation). The Government shall have access to such data at all times.

C.12.3.1 Technical data generated for this contract shall be adequate for competitive acquisition. Any changes developed under this contract shall include all activities through incorporation of changes into the drawing package. Deliveries of any drawings/TDPs unless specified otherwise shall be made under the Bradley Systems Technical Support (STS) contract. All new drawings shall be prepared as Computer Aided Design (CAD) drawings.

C.12.3.2 The Contractor shall not, to the best of their ability, attempt to prepare data for components or items for which Government released data exists.

C.12.4 Design Constraints. The PCI baseline for the start of this contract is represented by the following:

- a. The M2A3/M3A3 baseline shall be represented by the latest revision as of contract award of drawing RM87T0010, plus



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applicable drawings contained in the latest version of the BAE Systems Production Drawing List, plus all ECPs and EOs listed in Attachment 5.

b. The M3A3 BFIST baseline shall be represented by the latest version as of contract award of drawing RM12466201, plus applicable drawings contained in the latest BAE Systems Production Drawing List, plus all ECPs and EOs contained in Attachment 5.

C.12.4.1 For the categories of Contractor-controlled changes set forth below, the Contractor shall provide notification/documentation for approval to the Government. The categories are:

C.12.4.1.1 Replacement of any support item with another item. This constraint applies only to changes affecting interchangeability. Items that fall into this category are:

- a. Repair and Spare Parts
- b. Repair Kits
- c. Tools/Support Equipment/Training Devices

C.12.4.1.2 Changes which impact MANPRINT (Safety, Health Hazards, Soldier Survivability, Human Factors, Personnel, Manpower, Training).

C.12.4.1.3 Changes which impact testability.

C.12.4.1.4 Interface Control Documents and DSESTS LRU test strategy reports. DSESTS LRU test strategy reports required for A3 only.

C.12.4.1.5 Changes in the remanufacture process utilizing a remanufactured part in place of a new part.

C.12.4.2 The Government will provide written notification to the Contractor within twenty (20) working days of a documented submission (notification to approve a change) of its (1) nonconcurrence or (2) an estimated date when a decision will be rendered. If the Government does not respond within the twenty (20) day period, the notification is considered approved.

C.12.5 The Contractor shall coordinate change concurrence with Design Authority for any PCI data not under their custodianship.

C.13 CONTRACT QUALITY SYSTEM/PRODUCT ASSURANCE PROGRAM PLAN

C.13.1 The Contractor shall implement and maintain a Quality System, as defined by the Product Assurance Program Plan (PAPP) (Attachment 5) dated 8 March 2006, that ensures compliance to the contract requirements. Changes to the plan require Procuring Contracting Officer (PCO) approval. If there are discrepancies between the plan and the requirements/provisions of the contract, the contract requirements shall prevail.

C.14 HANDOFF REQUIREMENTS

C.14.1 Fielding. The contractor shall provide fielding support in accordance with their Material Fielding Agreement (MFA) in effect at time of award. Any changes to the MFA must be reviewed by the Government to ensure that adequate practices are used that are acceptable to the Government. Copies of all changes shall be sent to the PCO and the ACO in the form of a revised MFA. If there are discrepancies between the MFA and the requirements/provision of this contract, the contract requirements/provisions shall prevail.

C.14.2 Vehicle Acceptance. The contractor is responsible for providing vehicles meeting the requirements of the performance specification. The final Material Inspection and Receiving Report (DD Form 250) will be signed upon Government acceptance at the fielding or test site. For test vehicles, the DD Form 250 will be issued following test. The maximum duration of each Follow-on Production Test (FPT) is estimated to be four (4) months and the maximum duration of each Extended Follow-on Production Test (EFPT) is estimated to be eight (8) months. If the tests are not completed within these timeframes and no vehicle performance issues have been encountered (reference paragraph C.23), then the DD Form 250 will be executed by the PCO prior to completion of the test.

C.14.3 Issuance Date. The contractor shall continue to support and repair/correct the vehicle through the issuance date. On the issuance date, the gaining unit shall be provided access to the vehicle to begin Operator New Equipment Training (OPNET) and complete initial Preventive Maintenance Checks and Services (PMCS), during which time the Contractor shall not be liable for injury to soldiers unless due to negligence on the Contractor's part.

C.14.4 Coordination for facilities, support equipment and any other Government required actions needed by the Contractor to meet the final acceptance of vehicles by the gaining unit will be accomplished jointly by the Contractor and the Government (to include the gaining unit) as an action taken during the normal new material introductory briefing process, which occurs 360, 180, and 90 days prior to the actual handoff.

C.15 STANDARD GFM DISPOSITION INSTRUCTIONS - FAYETTE

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C.15.1 The contractor shall dispose of/ship parts or assemblies/subassemblies in accordance with the Standard GFM Disposition Instructions (Attachment 3). The contractor is authorized to scrap material, which will not be reported through the normal plant clearance procedures and will be sold separately as scrap and proceeds returned to:

Finance and Accounting Division  
U.S. Army Tank-automotive and Armaments Command  
ATTN: Disbursing Branch (AMSTA-EFD)  
Warren, Michigan 48397-5000

C.15.2 The contractor, in accordance with current maintenance management update, shall prepare DA Form 2407/407-1 or DA Form 5504 for each remanufactured vehicle and for the application of each modification.

C.15.3 It is recognized by the parties that costs for the packaging, handling and transportation of materials to be shipped listed in accordance with the Standard GFM Disposition Instructions (except for items to be scrapped) have been excluded from the price of this contract.

C.16 GOVERNMENT MATERIAL REPORTING

C.16.1 The contractor, upon receipt of Government owned assets will perform an inventory (with DCMC oversight/guidance) and inspection within ten (10) working days. Contractor shall provide notification of receipt to the Government in Contractor format as guidance, described in DI-MGMT-80389A, and Report of Government Furnished Material, described in DI-L-10331, CDRL A006. These two requirements may be submitted as a single report.

C.16.2 Report of Shipping (Item) and Packaging Discrepancy. This report will be provided to the Government by the Contractor on an as needed basis when GFM is received which does not agree with information on the shipping document, and when vehicles are found to have transportation damage. This report will be in the format described in DID DI-MGMT-80503 and CDRL A004.

C.16.3 A GFM Consumption Report shall be provided in accordance with CDRL A005.

C.17 TRANSPORTATION OF WEAPONS

C.17.1 Solely for purpose of transporting of weapons with the vehicles, the weapons shall be considered Government Furnished Property. The parties to this contract acknowledge that Government owned weapons (25MM guns) are provided to BAE Systems under this contract for the purpose of remanufacturing the gun to an enhanced configuration. BAE Systems agrees and acknowledges that the re-manufactured guns shall be treated as a contractor furnished item for all purposes except for vehicle transportation.

C.18 STORAGE OF MATERIAL FOR THIS and/or FUTURE CONTRACTS

C.18.1 The contractor has acquired at the direction of the Government the material listed in Attachmennt 7 due to potential obsolescence of the item/material. The contractor agrees to store these items under this contract and the FY07 contract, until such time as the items are required or until such time as the Government gives disposition instructions.

C.19 ENGINES

C.19.1 Subsequent to the vehicle tear-down, the engines will be remanufactured and reinstalled into the remanufactured vehicles.

C.19.2. The contractor shall remanufacture the Government owned 600 HP VT903-600T engines. The engines shall be remanufactured to the latest White Smoke Reduction configuration, with the new spring coupler design, and shall meet performance specifications established by Cummins Engine Company, Incorporated, for the Cummins Recon Engine Program.

C.19.2.1 The Government recognizes that the contractor has a subcontract for the remanufacture of engines. This agreement is a commercial contract. The parties to the contract acknowledge that components used to remanufacture and/or manufacture new engines are exempt from the General Provision of the contract entitled "Preference for Domestic Specialty Metals (Alt 1)." The contractor shall pass through to the Government any engine warranty provided by its subcontractor.

C.20 TRANSMISSIONS

C.20.1 Subsequent to vehicle tear-down, the transmissions will be remanufactured and reinstalled into the remanufactured vehicles.

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C.20.2 Transmissions. The contractor shall remanufacture the Government-owned HMPT 500 RX Series Transmissions. The transmissions shall be remanufactured in accordance with the National Maintenance Work Requirement (NMWR) 9-2520-281 dated 10 Dec 05 with Change 1 dated 1 Dec 05.

C.21 MEETINGS AND MEETING MINUTES

C.21.1 The contractor shall be responsible for providing meeting minutes for the life of the Delivery Order for joint Government-Contractor meetings, such as Joint Program Reviews and Management Reviews. The minutes may be submitted in Contractor format. The contractor shall provide a copy of the minutes to each attendee, CDRL A003, that provides an electronic address at the meeting. Additional copies shall be provided to the PCO and ACO.

C.22 OBSOLESCENCE

C.22.1 The contractor shall have sole responsibility for the screening and subsequent replacement and or redesign of a substitute part/system required due to parts becoming unavailable/obsolete. This shall include all components and parts under this contract to include parts that are common with other systems. This effort is limited to parts availability/obsolescence issues that directly impact the Contractor's ability to build vehicles under this contract and does not include effort to address identified issues that only impact future contracts. The Contractor shall notify the Government of any procurement activity to remedy obsolescence shortages for the period of this contract.

C.23 SYSTEM PERFORMANCE RESPONSIBILITY

C.23.1 The contractor shall meet all the performance requirements of the A3 System Specification (provided as Attachment 4). The Government's means of evaluating the vehicle performance will be through the Final Inspection Record (FIR), vehicle control tests, the Follow-on Production Test (FPT) and the Extended Follow-on Production Test (EFPT).

C.23.2 Follow-on Production Testing/Extended Follow-on Production Testing (FPT/EFPT). FPT/EFPT shall be performed on selected vehicles in accordance with Appendix A of the Product Assurance Program Plan. The contractor is responsible to meet the performance specification and for correcting all critical and systemic shortcomings discovered through these tests.

C.23.3 The contractor is authorized to obtain test support/services at DOD rates from Government Testing installations as government furnished services.

C.24 DEMILITARIZATION

C.24.1 Items called out under this contract are classified as military items. Therefore, the following instructions for the disposal of completed or partially completed parts, assemblies, subassemblies, and end items apply. Property (whether title to the property is with the Government or not and including parts, components, subassemblies and assemblies) covered by this contract for which the contractor does not claim or is refused payment (including, but not limited to, rejects or overruns) under the provisions of the contract, but which is manufactured, fabricated, assembled or produced in connection with items covered by this contract will be completely destroyed or mutilated (whichever is prescribed) so as to be nonreclaimable for its original purpose and to preclude the possibility of reconditioning to make it saleable as an implement of war.

C.24.2 Demilitarization is required in accordance with current demilitarization requirements. These requirements can be obtained through the Federal Logistics Information Service or Fed Log.

C.24.3 Demilitarized items shall be destroyed at the contractor's facility by the contractor. No item demilitarized shall be disposed of by the contractor other than as scrap. If there is a discrepancy between the requirements of this clause and the Standard Disposition Instruction of the contract, this clause shall take precedence.

C.24.4 This clause shall be included in all applicable subcontracts.

C.24.5 Demilitarization items under this contract are as follows:

- a) Profile Gear Final Drives

C.25 USE/ACCESS TO GOVERNMENT SUPPLY SYSTEM

C.25.1 The Contractor may use the Army Electronic Procurement System (AEPS) for placing/cancelling requisitions and for checking status of the same for this contract. In the event this system is unable to meet the Contractor's needs, the Contractor may order through the

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ILSC (the Management Control Activity (MCA) office or the Item Manager). Upon receipt of a Contractor's requisition, the TACOM ILSC will process a valid requisition within five business days after receipt of Contractor's payment for a TACOM-managed item. If the valid requisition is not processed by the ILSC within five business days or if the material is placed on back order without a delivery date promise that meets BAE's requirements, the Contractor will contact the TACOM ILSC prior to canceling outstanding orders and placing an order through the Contractor's internal system.

C.25.2 Payments remitted by BAE for parts orders will be processed by the TACOM AWCDF Directorate, either through (i) MIPR provided by the contracted depot (preferred method), (ii) hard copy checks forwarded through the PCO, or (iii) through Electronic Funds Transfers (EFPTs), in the event that an account is set up specifically for orders under this Contract. The Contractor shall submit acknowledgement of receipt of material received, via e-mail message, to the supporting MCA office (TACOMMCA@tacom.army.mil). The notification shall include the following information: NSN, unit of issue; quantity received; document number received; data material received.

C.25.3 The Contractor is hereby authorized to requisition the following item(s) to meet the requirements of this contract:

<u>Item</u>	<u>Qty</u>	<u>P/N</u>
Range Counter CCA	433 each	13496559

C.26 "PAYBACK" OF DIVERTED CFM PARTS

C.26.1 The vehicle components listed in Exhibit B were acquired to replace Contractor Furnished Material diverted by the Government for emergency spares requirements.

C.27 RAYTHEON BELRF BORESIGHT RETENTION CLAUSE/WAIVER

C.27.1 The parties agree that the Raytheon BELRF has a known temperature-related performance issue. The Government has issued a waiver in the past allowing an RSS (Az and El) alignment shift of 400 urad across the extremes of operating temperature range. This waiver shall be applied to the Raytheon BELRFs supplied under this (FY07) contract also. The parties agree that BAE Systems accepts no responsibility for this performance shortfall and the current contract does not include any requirement to correct it. The negotiated price assumes that BAE Systems' delivery schedule or prices from the Raytheon BELRF supplier will not be impacted. Any additional costs incurred by BAE Systems due to the failure of Raytheon BELRFs to meet alignment retention over temperature range requirements (e.g. due to unit fallout, rework costs, unit price increases, impact of Raytheon BELRF delivery delays, etc.) will be recognized as a proper basis for equitable adjustment of BAE Systems' contract price.

C.28 DEVIATION FROM DVDB PERFORMANCE SPECIFICATION

C.28.1 The parties agree that a deviation shall be granted under this contract to allow DRS TEM, acting as BAE Systems' subcontractor, to deliver Digital Video Distribution Boxes (DVDBs) that do not meet the following performance characteristics of the Performance Specification:

- a. Nuclear Event Detector, 3.2.2.1.2
- b. Low Temperature, Operational, 3.2.4.2
- c. Vibration, 3.2.4.8
- d. EMI, RE102, 3.2.4.12.5

\*\*\* END OF NARRATIVE C0001 \*\*\*

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SECTION F - DELIVERIES OR PERFORMANCE

F.1 F.O.B. POINTS

F.1.1 The F.O.B. point for Bradley A3 vehicles and is DESTINATION, and for MCS Components, the F.O.B. point is Origin.

F.2 DELIVERY - FIELDING SCHEDULE DISCREPANCIES

F.2.1 If there are discrepancies between the delivery schedules and/or fielding schedules in Section B and F of the contract, Section F takes precedence.

F.3 ACCEPTANCE DATE FOR VEHICLES

F.3.1 Unless specified below, the date of vehicle acceptance shall be the last working day in a given month.

F.4 FY06 A3 FIELDING SCHEDULES:

F.4.1 FY06 A3 vehicles shall be fielded in accordance with the following schedule. The Contractor may DD250 these vehicles at the fielding site(s) or the York facility, prior to handoff with the condition that the Contractor shall guarantee that vehicles meet all performance requirements upon hand-off to the receiving units.

CLIN	Vehicle Type	Qty	Location	Fielding Completion Date
0001AA	M2A3	31	Ft. Hood, TX	28 Feb 08
0001AA	M2A3	1	APG, MD (FPT)	31 Mar 08
0001AA	M2A3	25	Ft. Hood, TX	30 Apr 08
0002AA	A3 BFIST	8	Ft. Hood, TX	30 Apr 08
0002AA	A3 BFIST	2	Ft. Hood, TX	30 Jun 08
0002AA	A3 BFIST	6	Ft. Hood, TX	31 Aug 08

F.4.2 MCS Components shall be accepted F.O.B. Origin not later than 31 Dec 08. The contractor shall store these items under this contract and the FY07 contract until such time as the items are required or until such time as the Government gives disposition instructions.

0003AA	MCS LTB Hardware	1 Lot	BAE, York	31 Dec 08
0008AA	MCS LTB Hardware	1 Lot	BAE, York	31 Dec 08

F.4.3 FY07 A3 FIELDING SCHEDULES

F.4.3.1 The FY07 vehicles shall be fielded in accordance with the following schedule. The Contractor may DD250 these vehicles at the fielding site(s) or the York facility, prior to handoff with the condition that the Contractor shall guarantee that vehicles meet all performance requirements up hand-off to the receiving units.

CLIN	Vehicle Type	Qty	Location	Fielding Completion Date
0004AA	A3 BFIST	1	APG, MD	30 Apr 08
0004AA	A3 BFIST	6	Ft. Bliss, TX	31 Jul 08
0004AA	A3 BFIST	12	Ft. Bliss, TX	30 Nov 08
0004AA	A3 BFIST	12	Ft. Bliss, TX	31 Mar 09
0004AA	A3 BFIST	12	Ft. Stewart, GA	31 May 09
0004AA	A3 BFIST	5	Ft. Stewart, GA	31 May 09
0005AA	M2A3	1	YPG, AZ	30 Apr 08
0005AA	M2A3	1	APG, MD	30 Apr 08
0005AA	M2A3	53	Ft. Hood, TX	30 Apr 08
0005AA	M2A3	63	Ft. Bliss, TX	31 Jul 08
0005AA	M2A3	63	Ft. Bliss, TX	31 Oct 08
0005AA	M2A3	63	Ft. Bliss, TX	28 Feb 09
0005AA	M2A3	60	Ft. Stewart, GA	31 May 09
0005AA	M2A3	3	Ft. Stewart, GA	31 May 09
0006AA	M3A3	1	APG, MD	31 May 08
0006AA	M3A3	5	Ft. Hood, TX	31 May 08
0006AA	M3A3	30	Ft. Bliss, TX	31 Jul 08
0006AA	M3A3	17	Ft. Bliss, TX	31 Oct 08
0006AA	M3A3	13	Ft. Bliss, TX	30 Nov 08

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0006AA	M3A3	29	Ft. Bliss, TX	28 Feb 09
0006AA	M3A3	1	Ft. Bliss, TX	31 Mar 09
0006AA	M3A3	30	Ft. Stewart, GA	31 May 09
0006AA	M3A3	9	Ft. Stewart, GA	31 May 09
0009AA	M2A3	8	TBD	31 May 09

#### F.4.4 FY07 Main A3 Vehicles (CLINs 0010 - 0012)

F.4.4.1 The FY07 Main vehicles shall be fielded in accordance with the following schedule. The Contractor may DD250 these vehicles at the fielding site(s) or at their York facility prior to handoff with the condition that the Contractor shall guarantee vehicles meet all performance requirements upon hand-off to the receiving units.

<u>CLIN</u>	<u>Vehicle Type</u>	<u>Qty</u>	<u>Location</u>	<u>Hand-Off Date</u>
0010AA	M2A3	40 each	Ft. Stewart, GA	30 Oct 09
0010AA	M2A3	23 each	Ft. Stewart, GA	30 Nov 09
0010AA	M2A3	45 each	Ft. Stewart, GA	30 Jan 10
0011AA	M3A3	17 each	Ft. Stewart, GA	30 Nov 09
0011AA	M3A3	13 each	Ft. Stewart, GA	30 Dec 09
0011AA	M3A3	21 each	Ft. Stewart, GA	30 Jan 10
0011AA	M3A3	9 each	Ft. Stewart, GA	28 Feb 10
0012AA	A3 BFIST	4 each	Ft. Stewart, GA	30 Dec 09

\*\*\* END OF NARRATIVE F0001 \*\*\*

SECTION G - CONTRACT ADMINISTRATION DATA

LINE	PRON/ AMS CD/ ITEM	ACRN	OBLG STAT/ JOB ORD NO		PRIOR AMOUNT	INCREASE/DECREASE AMOUNT		CUMULATIVE AMOUNT
0010AA	727177A372 31102897002 A17P30027272	AD	1 7ZGBSP	\$	0.00	\$	253,867,716.00	\$ 253,867,716.00
0011AA	727178A372 31102897002 A17P300272A3	AD	1 7ZGBSP	\$	0.00	\$	141,037,620.00	\$ 141,037,620.00
0012AA	7276F89872 31201284007 A17P300772MS	AC	1 7ZGBBS	\$	0.00	\$	9,402,508.00	\$ 9,402,508.00
NET CHANGE					\$		404,307,844.00	

SERVICE NAME	NET CHANGE BY ACRN	ACCOUNTING CLASSIFICATION				ACCOUNTING STATION	INCREASE/DECREASE AMOUNT
Army	AC	21	72033000075R5R03P31201231E9	S20113		W56HZV	\$ 9,402,508.00
Army	AD	21	72033000075R5R03P31102831E9	S20113		W56HZV	\$ 394,905,336.00
NET CHANGE							\$ 404,307,844.00

		PRIOR AMOUNT OF AWARD		INCREASE/DECREASE AMOUNT		CUMULATIVE OBLIG AMT
NET CHANGE FOR AWARD:	\$	1,222,474,111.00	\$	404,307,844.00	\$	1,626,781,955.00

ACRN	EDI ACCOUNTING CLASSIFICATION					
AC	21	070920330000	S20113	75R5R033120128400731E9	7ZGBBSS20113	W56HZV
AD	21	070920330000	S20113	75R5R033110289700231E9	7ZGBSPS20113	W56HZV

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SECTION H - SPECIAL CONTRACT REQUIREMENTS

H.1 ESSENTIALITY/MATERIALITY OF DELIVERY SCHEDULE

H.1.1 For purposes of the Performance Based Payments clause, it is agreed and understood that the vehicle fielding and data delivery schedules is a material requirement of this contract. The Government may reduce or suspend payments in the event the Contractor becomes delinquent in deliveries or where it is evident that delivery will not be timely because of the Contractor's failure to make progress.

H.2 MATERIAL REQUIREMENTS

H.2.1 In accordance with FAR 52.211-5 of this contract entitled Material Requirement, the used, reconditioned or remanufactured materials listed in Attachment 8 to the contract entitled "Approved Used, Reconditioned or Remanufactured Material" have been approved for use under the contract.

H.3 DATA RESPONSIBILITY

H.3.1 Recognizing that a visual review by the Government of data delivered or released under this contract may be insufficient to prove out their adequacy for intended use, the Contractor shall certify prior to contract completion, that to the best of his knowledge and belief all such data are complete and conform to the data requirements of this contract. Failure of related data, made under the terms of this contract, to meet the requirements thereof shall be cause for rejection as unacceptable. Prior to final acceptance of the drawings and related data by the Government, the Contractor shall submit evidence that drawings and related data rejected as unacceptable have been corrected. Notwithstanding such final acceptance, the Government may require the Contractor to remedy by correction or replacement, as directed by the Contracting Officer, data deficiencies (i) at any time during the performance of this contract, and (ii) for a period of three (3) years thereafter, in accordance with Special Provision H.19 of the basic ordering agreement entitled WARRANTY OF DATA.

H.4 SUPPLIES TO BE ACCORDED DUTY-FREE ENTRY (MAR 1998)

H.4.1 In accordance with paragraph (b) of the Duty-Free Entry clause of this contract, in addition to duty free entry for all qualifying country supplies (end products and components) all eligible end products subject to applicable trade agreements (if this contract contains the Buy American Act - Trade Agreements - Balance of Payments Program clause or the Buy American Act - North American Free Trade Agreement Implementation Act - Balance of Payments clause), the following foreign end products that are neither qualifying country end products nor eligible end products under a trade agreement, and the following foreign nonqualifying country components, are accorded duty-free entry:

Part Number	Description	Vendor
01) 12369774-F	Turrent Ring Forging	Canadian Forgings Inc.
02) 12369775-F	Turrent Ring Forging	Canadian Forgings Inc.
03) 12369776-F	Turrent Ring Forging	Canadian Forgings Inc.
04) 12369777-F	Turrent Ring Forging	Canadian Forgings Inc.
05) 12369778-F	Intake Grill Forging	Canadian Forgings Inc.
06) 12334321-F	Shield Field Forging	Canadian Forgings Inc.
07) 12295295-F	Bracket Forging	Canadian Forgings Inc.
08) 12369308	Shock Absorber	General Kinetics Engineering Corp.
09) 12359649	Plain Bearing	General Kinetics Engineering Corp.
10) M5506622	Steel Armor Plate	Stelco
11) M5323572	Steel Armor Plate	Stelco
12) M5504740	Steel Armor Plate	Stelco
13) 12367362-S	Mount Hinge Support	Vestshell Inc.
14) 12385234-3S1	Hinge Support	Vestshell Inc.*
15) 12385234-4S1	Hinge Support	Vestshell Inc.
16) 9380346-14C	Lug Sight Arm Inv	Vestshell Inc.
17) 12307272-C	Hinge Com Casting	Vestshell Inc.
18) 12359272-C	Control Rod Plate	Vestshell Inc.
19) 254772-1	Bracket	Vestshell Inc.
20) 12307410-C	Bracket Casting	Vestshell Inc.
21) 12359290-C	Bracket Casting	Cabiran C/O Mistral
22) 12297231-C	Bracket Casting	Cabiran C/O Mistral
23) 12359291-C	Eye Bracket Casting	Cabiran C/O Mistral
24) 12294495-C	Casting Support	Cabiran C/O Mistral
25) 12298207-2	Retainer Tie Down	Cabiran C/O Mistral
26) 12294396-C	Casting Coupling	Cabiran C/O Mistral



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27)	12294397-C	Output Casting Coupling	Cabiran C/O Mistral
28)	12466033-3	Color Flat Panel Display	General Dynamics Canada
29)	3227398-0001	BIOC Display Kit	Raythen Electronic Systems (Supplier Brimar Ltd, U.K.)
30)	12350934-F	Forging, Cover	Canada Forgings Inc.
31)	264X13031X5000	Bearing, Roller	SKF USA
32)	12297950	Bearing, Pair	SKF USA
33)	12308476	Journal Assembly	Dana Corporation
34)	05-2-3443	Spider and Bearing	Dana Corporation
35)	303824-701	Conn Interface CCA	General Dynamics Canada
36)	304012-701	Display Head Ass'y	General Dynamics Canada
37)	304038-701	Display Video	General Dynamics Canada
38)	256881-703	Power Supply	General Dymanics Canada
39)	12350934-F	Forging, Cover	Canada Forgings

\* corrected per Modification 04.

#### H.5 GOVERNMENT RIGHT TO FURNISH PROPERTY, MATERIAL, AND/OR EQUIPMENT and SHIPMENT

H.5.1 The Government shall furnish in a timely manner the items listed in Attachment 1 of this contract to support build of vehicles. The Government reserves the right to bulk deliver the items to the Contractor. Bulk delivery must occur more than 120 days in advance of the vehicle build schedule. The Contractor is responsible for notifying the Government of any changes in build schedules.

H.5.2 In addition to the Government furnished property, material and/or equipment described in Attachment 1 of this contract, the Government reserves the right to furnish to the Contractor other items of Government property, material and/or equipment or to increase the quantities specified in Attachment 1.

H.5.3 The contractor shall promptly take such action as the Contracting Officer may direct with respect to such additional property, material and/or equipment. In the event the Government exercises its right under this paragraph, the parties will agree to equitably adjust the contract price and/or delivery schedule or performance dates in accordance with the procedures provided for in the "Changes" clause of this contract. The contractor shall submit either a proposal for equitable adjustment or rationale for no equitable adjustment within thirty (30) days following the Contracting Officer's notice of change. Failure to agree to an equitable adjustment shall be a dispute concerning a question of fact within the meaning of the "Disputes" clause.

H.5.4 All property furnished pursuant to this paragraph shall be subject to the provisions of the "Government Property" clause of this contract.

#### H.6 USE OF GOVERNMENT PROPERTY AND FACILITIES

H.6.1 The Contractor based this contract price on rent-free use of property and facilities that were initially made available under other contracts (see below). The Government property and facilities are in the possession of the Contractor and subcontractors accountable under the below listed Government contracts. Rent-free, non-interference use of Government property accountable under those contracts is approved.

CONTRACT	CONTRACTOR	PROGRAM
a) DAAE07-95-C-X030	United Defense	System Technical Support
b) DAAE07-00-C-M002	United Defense	BFV Remanufacture
c) DAAE07-01-C-M011	United Defense	BFV STS
d) DAAE07-01-C-M016	United Defense	BFV Remanufacture
e) DAAE07-01-G-M002	United Defense	BFV Remanufacture

#### H.7 SECURITY REQUIREMENTS

H.7.1 Contract Security Classification Specification DD Form 254, Attachment 6, is applicable to performance under this contract.

#### H.8 DEPARTMENT OF DEFENSE ACTIVITY ADDRESS CODE

H.8.1 The Department of Defense Activity Address Code (DODAAC) for use under this contract is .

#### H.9 MAKE-OR-BUY PROGRAMS IN ACCORDANCE WITH SUBPART 15.4 OF THE FAR

H.9.1 The Contractor operates in accordance with a make or buy procedure ("United Defense Production Documentation Department Operating Procedure-PD-20, Revision B") that determines which items are to be purchased from outside suppliers for use in a product. The procedure is applicable to all Government production programs/contracts, including this contract. As such, no specific make-or-buy plan

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will be submitted for this contract. The contractor shall perform to its established procedure, hereafter referred to as the "program." The program (procedure) has been reviewed by the Government. It is considered an acceptable process for determining make or buy items.

H.9.2 If the contractor desires to change its make or buy program or items under the contract, it shall review the requirements of FAR 52.215-9 of this contract entitled "Changes or Additions to Make or Buy Program" to determine if notification to the Government and/or contract adjustment is required.

H.9.3 The contractor shall submit and negotiate changes from BUY to MAKE for those items over \$500,000 in each program year. For MAKE items the contractor shall submit and negotiate changes only if the change would result in a subcontract over \$500,000 in any program year. Any short-term or temporary changes to alleviate manufacturing problems and/or delivery problems or changes specifically authorized by the Government will not be submitted or negotiated as changes to the Make or Buy Program.

H.10 TITLE TO SPECIAL TOOLING -- DEVIATION

H.10.1 In accordance with the September 16, 1999 Class Deviation -- Special Tooling, DAR tracking number 99-00012 issued by the Director, Defense Procurement, the portion of the Government Property clause for fixed price contracts FAR 52.245-2 that states that special tooling is subject to title provisions in the special tooling clause is waived. The waiver is necessary because the 1984 edition of the Special Tooling clause as contained in this contract, does not contain title provisions.

H.11 FAR PART 45 -- DEVIATION

H.11.1 In accordance with the July 13, 1999 Class Deviation from Federal Acquisition Regulation Part 45, DAR tracking number 99-00008, issued by the Director, Defense Procurement, the property record keeping and periodic physical inventory requirements for low-value property (special tooling, special test equipment, and plant equipment with an acquisition value of less than \$5,000 or less) is reduced per the deviation. Further in accordance with the deviation the contractor may defer reporting the loss, damage or destruction of low-value property until contract termination or completion.

H.12 LIMITED RIGHTS OF SUBCONTRACTORS

H.12.1 The following A3 items are provided with limited rights.

PART NUMBER	DESCRIPTION	CONTRACTOR
3227307-2	Slip Ring	Raytheon
3225889-1	Twist Caps	Raytheon
3225887-1	Elevation Motor	Raytheon
3225899-1	Azimuth Motor	Raytheon
1797511-1	FOV Motor	Raytheon
13619994	Monoblock Subassembly	DRS/Optronics
13620014	Monoblock Subassembly	DRS/Optronics
13620091	Monoblock Subassembly	DRS/Optronics
13492518-1	Monoblock Subassembly	DRS/Optronics
PR61096	VCP Card	DRS-TEM

H.13 BRADLEY PROGRAM CLOSURE

H.13.1 This contract was based on the assumption that there will be a follow-on award for BFV vehicles. The agreed upon price did not include any amount for the impact that could result from closure of the BFV program. For purposes of this clause, BFV closure means an anticipated break in the BFV production/remanufacture due to a lack of a follow-on contract. For purposes of this clause, a follow-on BFV contract is a US Government contract or an FMS contract or a Direct Foreign Sales contract.

H.13.2 A follow-on BFV award for FY07 is contemplated for award not later than second quarter CY2008 in order to avoid a production break of BFV vehicles. If there is no award of a follow-on contract that causes a break in production, the contractor shall notify the Government within 30 days of their intent to submit a proposal for equitable adjustment. The proposal shall be submitted within sixty (60) days of the notification.

H.13.3 Costs that may be considered as allowable under this clause are:

- severance and outplacement benefits
- direct labor inefficiencies due to work around and build out
- inefficiencies due to associated build out efforts, dispositioning of tooling, machines and fixtures

H.13.4 The maximum liability to the Government as a result of this clause is: \$18,800,000 or 13 Bradley A3 vehicles.

<b>CONTINUATION SHEET</b>	<b>Reference No. of Document Being Continued</b>  <b>PIIN/SIIN</b> W56HZV-05-G-0005/0009 <b>MOD/AMD</b> 05	<b>Page 19 of 21</b>
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H.13.5 The Government, following negotiations and agreement on an equitable adjustment, if any, has the unilateral option to:

- a. Increase the amount of this contract by the negotiated agreement, or
- b. An equitable adjustment separate from this contract; or
- c. Reduce the contract by up to eight BFV A3 vehicles for FY07, or
- d. A combination of the above.

H.14 UID. The contractor is required to apply a UID to the vehicle systems delivered under this contract in accordance with DFARS clause 252.211-7003. For this contract, the UID shall be applied to the vehicle down parts listed in Attachment 2.

H.15 ALTERATIONS IN CONTRACT PROVISIONS

H.15.1 Contract Section I, General Provision I.57, FAR 52.243-1, "Changes-Fixed Price (August 1987)", paragraph c, is revised by replacing "30 days" with "90 days".

H.15.2 Contract Section I, General Provision I.93, FAR 52.243-7, "Notification of Changes (April 1984)", the fill-in portion of paragraph b is 90 days and the fill in portion of paragraph d is 30 days.

H.16 DOWNWARD ONLY PRICE ADJUSTMENT FOR RED RIVER ARMY DEPOT (RRAD) SUBCONTRACT FOR CLINS 0010-0012

H.16.1 The negotiated unit prices for vehicles under CLINS 0010-0012 include a Not-To-Exceed (NTE) subcontract price for RRAD.

H.16.1.1 The not-to-exceed price for the RRAD material and labor required to perform Phase I teardown and other requirements of CLINS 0010-0012 is \$4,765,005.

H.16.1.2 The contract prices for the vehicles under CLINS 0010-0012 shall be adjusted to reflect any reduction negotiated to the subcontract price. The difference between the reduction in the NTE subcontract price and the respective final negotiated subcontract price shall be subtracted from the appropriate vehicle prices in the prime contract.

H.16.1.3 The Contractor shall submit a proosal for a downward adjustment of the aforementioned interim subcontract price within 180 days after award of Modification P00005. A bilateral modification shall be executed incorporating the impact of any price reduction into the appropriate areas of the Contract. The Government shall reimburse the Contractor the costs and fee for fact-finding, negotiating, and definitizing the RRAD subcontract proposal, and the total settlement amount shall be less than the ceiling price.

H.16.4 If agreements on definitive subcontract prices are not reached between the Contractor and RRAD or the Contractor has not submitted a proposal for final adjustment of the above NTE subcontract price within 180 days of award of Modification P00005 or such other period as may be agreed upon by the Contracting Officer, the Contracting Officer has the right to determine a reasonable final price for the above described subcontract for the purpose of determining the final adjustment due under this special provision, subject to appeal by the Contractor pursuant to the clause of the Basic Ordering Agreement entitled "Disputes".

H.17 DOWNWARD ONLY PRICE ADJUSTMENTS FOR BRADLEY URBAN SURVIVABILITY KIT (BUSK) ITMES FOR CLINS 0010-0012.

H.17.1 The negotiated unit prices for vehicles tobe delivered under CLINS 0010-0012 include Not-To-Exceed (NTE) prices for the BUSK itmes identified in paragraph H.17.1.1 below.

H.17.1.1 The NTE prices for these BUSK items and dates for submittal of definitizing proposals are as follows:

<u>ITEM</u>	<u>NOT-TO-EXCEED</u>	<u>PROPOSAL SUBMITTAL DATE</u>
Rearward Looking Vehicle System (RLVS) & "A" Kit	\$5,592,156	30 Nov 2007
Mine IED Crew Seats (n/a to CLIN)	\$2,289,966	30 Nov 2007
Sniper Screen	\$ 501,380	30 Nov 2007
A3 TAGS	\$2,617,854	30 Jan 2008
Ammo Hot Box	\$2,111,791	30 Jan 2008
CLAW	\$3,586,910	30 Mar 2008

<p><b>CONTINUATION SHEET</b></p>	<p><b>Reference No. of Document Being Continued</b></p> <p><b>PIIN/SIIN</b> W56HZV-05-G-0005/0009      <b>MOD/AMD</b> 05</p>	<p><b>Page 20 of 21</b></p>
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H.17.1.2 The contract prices for vehicles under CLINs 0010-0012 shall be adjusted to reflect any reduction negotiated to the price for incorporation of these items. The difference between the reduction of these NTE prices and the respective final negotiated price shall be subtracted from the appropriate vehicle prices in this Contract.

H.17.1.3 The Contractor shall submit proposals for downward adjustment of the price for these items on or prior to the date identified in paragraph H.17.1.1 above. A bilateral modification shall be executed incorporating the impact of any price reduction into the appropriate areas of the contract.

H.17.1.4 If proposals to definitize the price of these items are not submitted by the dates specified in paragraph H.17.1.1 above or by such other period as may be agreed to by the Contracting Officer, the Contracting Officer has the right to determin a reasonable final price for these items for the purpose of determining the final adjustments due under this special provision, subject to appeal by the Contractor pursuant to the clause in the Basic Ordering Agreement entitled "Disputes".

H.18 VEHICLE OPTION. The Government has the right to exercise an option for up to 38 vehicles at a unit price of \$2,350,627.00. The period for exercise of this option is within 90 days after award of Modification P00005.

\*\*\* END OF NARRATIVE H0001 \*\*\*

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SECTION J - LIST OF ATTACHMENTS

List of Addenda	Title	Date	Number of Pages	Transmitted By
Attachment 0001	GOVERNMENT FURNISHED PROPERTY	20-JUN-2006		

GOVERNMENT FURNISHED PROPERTY  
M2A3 VEHICLES

Part Number	Description	Quantity		
		Per Vehicle	Unit Cost	Cost Per Vehicle
013-1981-020-GFM	Remote Antenna 2 (RA-2)	1	\$ 781.00	\$ 781.00
12293184-GFM-R	Extinguisher, Fire	2	632.29	1,264.58
12357792-GFM	Periscope, M27	1	259.14	259.14
12357908-GFM	Periscope, 15 Degree Uplook	6	221.21	1,327.26
12357909-GFM	Periscope, 20 Degree Uplook	2	239.75	479.50
12357918-GFM	Periscope, M17	9	260.00	2,340.00
12358464-R-GFM	Roadwheels, Steel	24	158.00	3,792.00
12359466-3GFM	Track, Shoe, Vehicular	1	7,094.00	7,094.00
12359466-4GFM	Track, Shoe, Vehicular	1	7,267.00	7,267.00
12462990-GFM*01	FM200, Cylinder, Compressed Gas	1	528.59	528.59
12484747-GFM	Inertial Navigation System	1	37,000.00	37,000.00
12524520-GFM	25MM Chrome Barrel	1	5,598.00	5,598.00
2540-01-396-2826	Heater, Vehicular	1	2,627.51	2,627.51
7021-01-552-1216-GFM	CPU, EV4	1	3,605.25	3,605.25
7310-01-387-1305-GFM	Heater, Meals Ready to Eat	1	505.30	505.30
9380400-GFM	Telescope, Azimuth	1	2,958.00	2,958.00
987-5006-001-GFM	Mounting Base, Electrical	1	208.80	208.80
987-5007-001-GFM	Bracket, Mounting	1	19.95	19.95
A3006202-GFM	Bracket Assembly, Mounting	1	300.00	300.00
A3206428-3-GFM	PI-CVC Headset/Cables A2	1	2,873.00	2,873.00
A3206428-GFM	M2A2 VIS Kit	1	35,500.00	35,500.00
MK-2394-GFM	SINCGAR Installation Kit	1	1,922.00	1,922.00
MK-2520A/VSQ-1-GFM	EPLRS Installation Kit	1	1,650.00	1,650.00
A327180-1	IBAS B-Kit*	1		
3259539-1	CIV B-Kit*	1		

FY 07 Main Supplemental Additional Material

5977-01-458-4322	Ring Assembly, Elect	1	8,936.00	8,936.00
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GOVERNMENT FURNISHED MATERIAL  
A3 BFIST VEHICLES

Part Number	Description	Quantity		
		Per Vehicle	Unit Cost	Total Cost
013-1981-020-GFM	Remote Antenna 2 (RA-2)	1	\$ 781.00	\$ 781.00
12293148-GFM-R	Extinguisher, Fire	2	632.29	1,264.58
12357792-GFM	Periscope, M27	1	259.14	259.14
12357909-GFM	Periscope, 20 Degree Uplook	2	239.75	479.50
12357918-GFM	Periscope, M17	11	260.00	260.00
12358464-R-GFM	Roadwheel, Steel	24	158.00	3,792.00
12359466-3GFM	Track, Shoe, Vehicular	1	7,094.39	7,094.39
12359466-4GFM	Track, Shoe, Vehicular	1	7,267.42	7,267.42
12462990-GFM*01	FM200, Cylinder, Compressed Gas	1	528.59	528.59
12484747-GFM	Intertial Navigation System	1	37,000.00	37,000.00
12524520-GFM	25MM Chrome Barrel	1	5,598.00	5,598.00
2540-01-396-2826	Heater, Vehicular	1	2,627.51	2,627.51
4250710-GFM	LCU Mounting Assy	1	3,100.00	3,100.00
7021-01-522-1216-GFM	CPU, EV4	1	3,605.26	3,605.26
7310-01-387-1305-GFM	Heater, Meals Ready to Eat	1	505.30	505.30
9380400-GFM	Telescope, Azimuth	1	2,958.00	2,958.00
987-5006-001-GFM	Mounting Base, Electrical	1	208.80	208.80
987-5007-001-GFM	Bracket, Mounting	1	19.95	19.95

A3014031-12-GFM	Cable Assy, Radio Frequency	1	28.75	28.75
A3014031-8-GFM	Cable Assy, Radio Frequency	1	28.75	28.75
A3210709-A3BFIST-3-GFM	Improved CVC Helmets	1	20,075.00	20,075.00
A3210709-GFM	Delta VIS Kit BFIST	1	20,075.00	20,075.00
MK-2520A/VSQ-1-GFM	EPLRS Installation Kit	1	1,650.00	1,650.00
MK-BFIST-GFM	SINGARS Kit, BFIST	1	2,477.00	2,477.00
A327180-1	IBAS B-Kit*	1		
3259539-1	CIV B-Kit*			

FY 07 Main Supplemental Additional Material

5977-01-458-4322	Ring Assembly, Elect	1	8,936.00	8,936.00
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\*These items are not shipped to York, PA, therefore, handling charges do not apply.

The IBAS B-Kit will be delivered to the following address:

DRS Sensors & Targeting Systems, Inc.  
 Optronics Division  
 2330 Commerce Park Drive, N.E.  
 Palm Bay, FL 32905

The CIV B-Kit will be delivered to the following address:

Raytheon Company  
 Network Centric Systems  
 2501 West University Drive  
 McKinney, TX 75070